

OFFICE OF CONGRESSIONAL AFFAIRS**Routing Slip**

	ACTION	INFO
1. D/OCA		X
2. DD/Legislation	X	
3. DD/Senate Affairs		X
4. Ch/Senate Affairs		
5. DD/House Affairs		X
6. Ch/House Affairs		
7. Admin Officer		
8. FOIA Officer		
9. Constituent Inquiries Officer		
10. DD/OCA		X
11.		
12.		

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SUSPENSE

25 Aug 89

Date

Action Officer:

Remarks:

*phone calls with AC/ALD/OSC +
CP/C/ID - no problems with letter. Word forwarded
to OPM Gen [] Johnson on 18 Aug. 1989.*

NO OBJECTIONGAH 18 Aug 89

Name/Date

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

August 16, 1989

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LEGISLATIVE REFERRAL MEMORANDUM

OCA 2888-89

TO: Legislative Liaison Officer -

Department of Agriculture - Marvin Shapiro - 382-1516
Department of Commerce - Michael Levitt - 377-3151
Department of Defense - Sam Brick - 697-1305
Department of Education - John Kristy - 732-2670
Department of Energy - Bob Rabben - 586-6718
Department of Health and Human Services - Fran White -
245-7760
Department of Housing and Urban Development - Edward
Murphy - 755-7093
Department of the Interior - Ralph Hill - 343-6706
Department of Justice - Carol Crawford - 633-2141
Department of Labor - Seth Zinman - 523-8201
Department of State - Bronwyn Bachrach - 647-4463
Department of Transportation - Tom Herlihy - 366-9293
Department of the Treasury - Richard Carro - 566-8523
Department of Veterans Affairs - Donald Ivers - 233-3832
Council of Economic Advisers - Suzanne Tudor - 395-5036
Agency for International Development - Robert Lester -
647-8371
Central Intelligence Agency - Norbert Garrett - 482-6122
Environmental Protection Agency - Henry Schilling -
382-5414
Federal Emergency Management Agency - George Watson -
646-4105
General Services Administration - Al Vicchiolla -
566-0563
National Aeronautics and Space Administration -
Lynn Heninger - 453-1948
National Science Foundation - Charles Herz - 357-9435
Small Business Administration - Clifford Downen - 653-7581
Tennessee Valley Authority - Williard Phillips -
479-4412
United States Information Agency - Walter Raymond -
485-9591
United States Postal Service - Fred Eggleston - 268-2958

SUBJECT: OPM proposed letter to Senator Wilson, sponsor of S. 38,
the "Federal Employees Long-term Care Insurance Act of
1989."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than Wednesday, August 23, 1989.

Questions should be referred to Lisa Fairhall (395-3923), the legislative analyst in this office.

(Signed) Naomi R. Sweeney
Naomi R. Sweeney for
Assistant Director for
Legislative Reference

Enclosures

OPM/LEG AN

TEL No.

Jul 21.89 0:25 P.02



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

OFFICE OF THE DIRECTOR

Honorable Pete Wilson
United States Senate
Washington, DC 20510-0502

Dear Senator Wilson:

Thank you for your kind letter of June 15. I very much appreciate the support you have given me as I enter upon my new responsibilities as Director of this agency, and I look forward to working with you in this capacity. I also appreciated your discussion concerning how your "Federal Employees Long-term Care Insurance Act of 1989," S. 38, would complement the Administration's goals of providing both more effective Federal personnel programs and better access to essential health services for all Americans.

S. 38, would amend the Federal Employees' Group Life Insurance (FEGLI) law to offer Federal employees an opportunity to elect long-term care (LTC) insurance coverage for themselves and their spouses at group insurance rates and, if an employee so chooses, to trade off a portion of basic FEGLI coverage to offset some of the LTC premium cost. The new LTC insurance would provide benefits under one or more plans to offset expenses associated with extended periods of nursing home confinement, or similar home health services, required by chronic, debilitating illnesses. OPM has been working in support of this proposal for more than 2 years, and continues to strongly support its enactment.

Four features distinguish S. 38 from the proposal OPM submitted to the last Congress: (1) a short title for the bill is inserted as part of the enacting clause; (2) a definition of "long-term care insurance," based on model LTC legislation prepared by the National Association of Insurance Commissioners, would be included in the law; (3) starting 5 years after the new program's inception, employees under age 50 would be able to qualify for LTC insurance in accordance with OPM regulations; and (4) insurance carriers would be required to reinsure portions of their LTC liability with other interested insurance companies under conditions OPM would determine. OPM agrees that these modifications to our earlier proposal are desirable.

In summary, S. 38 would accomplish several highly desirable objectives, without any additional cost to taxpayers. It would allow Federal employees to protect themselves and their spouses against the potentially catastrophic financial impact of LTC arrangements, through a voluntary, low-cost program.

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Honorable Pete Wilson

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Moreover, it would permit the Federal Government, as an employer, to provide leadership to other employers in confronting and resolving a growing national health care problem. I commend you, Senator, for your prompt action to introduce this bill in the 101st Congress and for your continuing efforts to gain ever-widening support for it. OPM is hopeful that Congress will take early and favorable action on this bill.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the submission of this letter.

Sincerely,

Constance Barry Newman
Director